

Hodgeman County

Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

6/26/2017

Using the most recent IMPLAN data available (2015) adjusted for 2017, 9 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the Hodgeman County economy.¹

These 9 sectors have a total direct output of approximately **\$156.8 million** and support **517.5 jobs** in Hodgeman County. Running the model for all 9 sectors simultaneously produces the following results:

Agriculture, Food, and Food Processing Sector Contribution to Overall Hodgeman County Economy						
Impact Type ²	Employment	% Employment	Total Value Added ³	Total Value Added % of Gross Regional Product ⁴	Output ⁵	Output % of Gross Regional Product
Direct Effect	517.5	27.75%	\$37,988,270	40.12%	\$156,786,977	165.59%
Indirect Effect	55.3	2.97%	\$2,089,759	2.21%	\$5,695,196	6.01%
Induced Effect	16.0	0.86%	\$1,631,569	1.72%	\$2,925,204	3.09%
Total Effect	588.8	31.57%	\$41,709,598	44.05%	\$165,407,376	174.69%

As shown in the above table, agriculture, food, and food processing sectors support **588.8 jobs**, or **31.57%** of the entire workforce in the county. These sectors provide a total economic contribution of approximately **\$165.4 million, roughly 174.69% of the economy.**

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 9 agriculture, food, and food processing sectors is approximately **\$41.7 million, or 44.05% of the GRP.** This indicates that personal income, business income, and taxes generated by these sectors account for **44.05% of the total economy.**

The following tables document the overall summary numbers of the model, top industries affected by employment and output, and a listing of all industries that were analyzed.

¹ Article on building a contribution analysis in IMPLAN that avoids double counting:

http://www.implan.com/index.php?option=com_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70

² Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

³ Value added = labor income + indirect business taxes + other property type income.

⁴ GRP = final demand of households + governments expenditures + capital + exports - imports - institutional sales.

⁵ Output = intermediate inputs + value added.

In the top ten agriculture, food, and food processing sectors by employment, the beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming sector is the top employer with **375.2 employees**. This table also shows the amount of jobs that are created by the agriculture industry in Hodgeman County.

Top Ten Agriculture, Food, and Food Processing Sectors by Employment		
Sector	Total Employment	Total Output
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	375.2	\$95,982,777
Grain farming	59.3	\$42,080,090
All other crop farming	40.6	\$6,017,784
Dairy cattle and milk production	30.4	\$11,573,037
Real estate	29.3	\$1,768,533
Veterinary services	11.1	\$688,928
Wholesale trade	8.8	\$1,626,771
Monetary authorities and depository credit intermediation	4.8	\$582,244
Securities and commodity contracts intermediation and brokerage	4.4	\$353,445
Extraction of natural gas and crude petroleum	3.3	\$254,865

The beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming sector directly contributes approximately **\$96.0 million** to the Hodgeman County economy. The table below also shows the amount of revenue that is generated in other industries by having a strong agriculture industry.

Top Ten Agriculture, Food, and Food Processing Sectors by Output		
Sector	Total Employment	Total Output
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	375.2	\$95,982,777
Grain farming	59.3	\$42,080,090
Dairy cattle and milk production	30.4	\$11,573,037
All other crop farming	40.6	\$6,017,784
Real estate	29.3	\$1,768,533
Owner-occupied dwellings	0.0	\$1,693,995
Wholesale trade	8.8	\$1,626,771
Veterinary services	11.1	\$688,928
Monetary authorities and depository credit intermediation	4.8	\$582,244
Truck transportation	2.7	\$566,596

Below is a summary of all agriculture data with employment levels and output level. These values can tell how many jobs are represented by each agriculture, food, and food processing sector and the output they contributed to the Hodgeman County economy.

All Agriculture, Food, and Food Processing Sectors		
Sector	Total Employment	Total Output
Oilseed farming	0.1	\$303,931.89
Grain farming	59.3	\$42,080,089.57
All other crop farming	40.6	\$6,017,784.12
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	375.2	\$95,982,772.83
Dairy cattle and milk production	30.4	\$11,573,036.19
Poultry and egg production	0.05	\$42,015.41
Animal production, except cattle and poultry and eggs	0.2	\$37,623.08
Bread and bakery product, except frozen, manufacturing	0.6	\$60,790.05
Veterinary services	11.1	\$688,927.53

All 105 counties in Kansas have an IMPLAN model and an agriculture, food, and food processing contribution summary. These values do not factor in the retail environment of food sales. Food retail is important, but in order to provide the most accurate picture of what production agricultural and processing contributes to Hodgeman County, the retail sector was omitted.